



DEPARTMENT OF STATE

Washington, D C. 20520

SECRET

December 23, 1981

TO: NSC - Mr. Bailey

Norm -

Here is a quick estimate of costs on some of the items on the list:

-- Ban Soviet fishing: Soviet fishing was banned after Afghanistan and has not been allowed to resume. Soviet factory ships operate in U.S. waters to process U.S.-caught fish in a U.S.-Soviet joint venture based in Bellingham, Washington. Soviet purchases of U.S. fish under this arrangement were \$4 million in 1980. Loss of those sales would be borne by Pacific Coast fishing interests. There would be no cost to the USG. Pacific Coast Congressmen have strongly supported the joint venture, which was exempted from action after Afghanistan. Soviet permits to operate in U.S. waters expire December 31. (The National Marine Fisheries Service (NMFS) has been asked not to renew the permits without further instruction.)

-- Let the Maritime Agreement lapse: The agreement expires December 31. Its expiry would impose no costs on the USG and negligible costs on the U.S. economy.

-- Suspend Aeroflot landing rights: No costs to USG. Pan Am (which dropped service to Moscow in 1978) would probably lose valuable overflight rights. Two U.S. firms (Gen Air and Capitol) that are seeking authority to serve Moscow would see their prospects disappear.

Harry Kopp  
State/EB/TDC

State Dept. review completed

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